



Supplier Code of Conduct - Sproud International AB

At Sproud International AB, we are committed to being change-makers with a purpose, driving positive change today—not tomorrow. Our Supplier Code of Conduct outlines our expectations regarding ethical business practices, environmental responsibility, respect for human rights, and responsible supply chain management. These principles are based on internationally recognized standards and align with the ISO 26000 framework—Seven Principles of Social Responsibility.

We expect our suppliers and their subcontractors to adhere to these principles and comply fully with all applicable laws.

1. Organizational Governance

At Sproud International, business integrity is fundamental to building lasting and trusted relationships. We expect our suppliers to adopt the following governance standards:

- **Ethical Behaviour:** Prohibit all forms of bribery, corruption, and money laundering. Ethical business practices must guide all operations.
- **Respect for the Rule of Law:** Comply with all applicable national and international laws, including trade regulations and anti-corruption laws.
- **Accountability:** Implement a robust Compliance Management System to monitor and ensure adherence to these standards.

Suppliers are also required to:

- Conduct regular risk assessments to identify and mitigate potential risks related to legal compliance and governance.
- Safeguard the privacy of employees and business partners and protect intellectual property.

2. Human Rights

At Sproud, we are committed to upholding human rights and promoting fair labour practices. Our suppliers are expected to:

- **Respect Human Rights:** Safeguard internationally recognized human rights by ensuring that no exploitation, forced labour, child labour, or human trafficking occurs.
- **Respect Stakeholder Interests:** Protect employees' rights, including the freedom of association and the right to collective bargaining, while addressing their needs by providing living wages.

Key expectations include:

- Prohibiting all forms of child labour and ensuring all workers meet the legal working age as required by national laws.
- Treating all employees with dignity, fostering a workplace free from harassment, abuse, and discrimination.
- Complying with all applicable laws regarding working hours and wages, ensuring fair compensation that supports a living wage.

Suppliers must provide confidential channels for employees and stakeholders to report unethical behaviour without fear of retaliation. We encourage reporting through our dedicated whistleblowing mechanism, which ensures anonymity and protection from reprisals.

3. Environmental Responsibility

At Sproud International, we place great importance on environmental responsibility and expect our suppliers to demonstrate the same level of commitment. Suppliers must strive to:

- **Accountability & Transparency:** Take responsibility for the environmental impact of their operations and provide transparent reporting on environmental metrics.
- **Ethical Behaviour:** Utilize energy-efficient, environmentally friendly technologies, and continuously strive to reduce emissions and waste production.
- **Compliance with International Norms:** Adhere to international and national regulations related to environmental protection and biodiversity in all markets of operation.

Suppliers are required to:

- Track and measure greenhouse gas emissions to help achieve carbon footprint reduction goals.
- Implement systems to minimize the use of hazardous chemicals and ensure proper disclosure, with the goal of phasing out environmentally harmful substances.

European Union Deforestation Regulation (EUDR) Compliance:

Starting in January 2025, suppliers must comply with the European Union Deforestation Regulation (EUDR) to prevent deforestation and ensure traceability for forest-based products. This includes conducting due diligence to avoid sourcing materials linked to illegal deforestation.

See Sproud's environmental commitment and important KPIs in our latest Impact Report at www.besproud.com/sustainability.

4. Fair Operating Practices

Suppliers are expected to adopt ethical and fair operating practices throughout their entire business. This includes:

- **Ethical Behaviour:** Ensuring fair competition and maintaining ethical relationships with customers and other stakeholders.
- **Transparency:** Disclosing any potential conflicts of interest or unethical behaviour promptly and transparently.

Suppliers must also:

- Engage in fair competition and avoid practices such as price fixing, fraud, or misrepresentation.
- Refrain from offering or accepting bribes or gifts to influence business decisions.

5. Consumer Issues

Sproud expects suppliers to ensure that their products and services are safe, reliable, and meet high standards of quality. Suppliers must:

- **Respect Stakeholder Interests:** Guarantee product safety and quality through comprehensive management systems.
- **Transparency:** Provide accurate product information and clear communication about any risks related to the use or disposal of products.

Suppliers should also promote sustainable consumption by offering products that are environmentally friendly, energy-efficient, and responsibly sourced.

6. Community Involvement and Development

Sproud encourages its suppliers to engage with their local communities and contribute to social and economic development. Suppliers are expected to:

- **Respect Stakeholder Interests:** Participate in initiatives that enhance the well-being of local communities, such as job creation and investment in skills development.
- **Accountability:** Support sustainable development by adopting practices that reduce poverty, promote education, and foster inclusive economic growth.

Suppliers should also consider supporting initiatives that benefit underrepresented groups, promoting diversity, equity, and inclusion in their workforce and communities.

7. Health and Safety

The health and safety of workers, local communities, and stakeholders are key components of Sproud's supplier expectations. Suppliers must:

- **Respect Stakeholder Interests:** Ensure safe and healthy working conditions that comply with all relevant safety regulations.
- **Accountability:** Take proactive measures to prevent workplace accidents, provide personal protective equipment, and establish emergency protocols.

Suppliers must also:

- Ensure access to clean water, sanitation, and appropriate food storage facilities.
- Provide regular training on health and safety standards.

Continuous Improvement and Monitoring

We review our Supplier Code of Conduct annually and update it as necessary to reflect evolving standards and expectations. Suppliers are encouraged to communicate openly with us about any concerns related to unethical or illegal practices, and we are committed to working collaboratively to resolve these issues.

Contact us through your main company contact or, if necessary, through our whistleblowing function at www.besproud.com.

Audits and Termination

Sproud International reserves the right to audit suppliers to ensure compliance with this Code of Conduct. Failure to meet the outlined standards may result in a requirement to improve practices and, if necessary, termination of the business relationship.

Collaborative Change

Sproud strives to work alongside our partners to drive continuous improvement in social responsibility, environmental impact, and business integrity. We believe that by working together, we can make a positive global impact.

By adhering to this Supplier Code of Conduct, aligned with the ISO 26000 framework, Sproud International and its suppliers commit to fostering ethical business practices, protecting human rights, respecting the environment, and promoting social well-being throughout our supply chains.

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Sara Berger

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